

## **GSCCC Stakeholder Meeting**

July 23, 2008

New Hampshire Auto Dealers Association, Concord, NH

### **Meeting Summary**

Our thanks to our host, Dan Bennett, of the New Hampshire Auto Dealers Association for the use of their meeting room. Approximately 32 individuals attended.

**UPDATE FROM THE CLEAN CITIES PROGRAM.** After introductions Michael Scarpino, Clean Cities Program Manager, US Department of Energy (DOE) provided an update on the agency's fiscal situation, website, current issues and priorities and future direction.

**Clean Cities Funding.** Clean Cities is funded at \$12.5 million for fiscal year (FY) 2008. The US House of Representatives proposes the funding for Clean Cities be increased to \$25 million for FY '09; the Senate has not matched that amount. Clean Cities coalitions around the country leveraged \$87 million in '06.

There will be a funding solicitation coming out in the fall that will provide a total of \$6 million over two years for projects address:

1. Infrastructure for alternative fuels
2. Education and Outreach workshops
3. Alternative Fuel Vehicle Incremental Cost
4. Biofuels programs at Colleges and Universities including the production and use of biofuels on campus.

Clean Cities anticipates the request for proposals will be announced in November '08; proposals will be due January '09 and awards will be announced in the spring of '09. Proposals that collaborate with multiple organizations are encouraged.

Mike then did a brief summary of the Energy Independence and Security Act of 2007 (EISA). This Act of Congress included:

- ✓ An expanded renewable fuel standard
- ✓ Increased CAFÉ standards
- ✓ Established renewable fuel infrastructure grants. Please note that funding was *authorized* but until funding is *appropriated* there will not be any funds available.
- ✓ DOE is charged to develop a program to give EPA credits for hybrids.

**Food vs. Fuel.** The factors influencing the rising cost of food include:

- Higher agricultural commodity costs
- Higher energy prices
- Growth in foreign demand
- Reduced foreign supply due to massive drought
- The weak US dollar and
- Speculation of futures

Less than 1/3 of the US retail food contains corn. The increase in food cost due to the production of ethanol is about 1.1%. In terms of water usage, about 96 % of field corn

(used in ethanol production) is irrigated. It takes about 3-4 gallons of water to produce a gallon of ethanol; in comparison, it takes about 2-2.5 gallons of water to produce a gallon of petroleum. Work is being done to reduce the water needed to produce ethanol.

**Clean Cities website.** The Clean Cities website has been revised. It now includes a geographic coordination tool and includes vehicle registration data to show where FFVs are located. The site is located at <http://www1.eere.energy.gov/cleancities/>.

**Future Direction for DOE.** DOE is looking at an effort to optimize the use of E85. Flex fuel vehicles are currently more ethanol tolerant than ethanol optimized. There is discussion of increasing the amount of ethanol in fuel from E10 to E15 or perhaps E20. This is needed to meet the renewable fuel standard; the OEM's are pushing back with the argument that vehicles haven't been designed to run on higher blends of ethanol. Consideration must also be made for boats and other small engines.

DOE is also looking at the potential of biodiesel from sources other than soy which can only meet 4% of the diesel demand. Algae has potential but it currently can't be done economically. Research continues – and there is promise in the algae growing in pond scum. "Pond scum may be the future."

**LEGISLATIVE UPDATE.** The Biodiesel Study Commission recommended that their Commission continue to study the challenges and opportunities of bringing biodiesel to New Hampshire. That recommendation became HB 1632 which was passed by this year's General Court. Other recommendations made by the Commission included HB 1631 calling for state purchased diesel to include 5% biodiesel as long as it isn't price prohibitive. SB522 called for all biodiesel sold in the state to meet ASTM D6751 fuel quality standards and provided for the Department of Safety to enforce the standard. These bills also passed both Houses and have become law.

**DISCUSSION WITH THE 2007 BIODIESEL STUDY COMMISSION MEMBERS.** The new Biodiesel Study Commission has not been officially appointed, but it was determined that a brain storm session with some returning Biodiesel Study Commission members and GSCCC stakeholders would be beneficial. The following issues were raised:

- ✓ Straight Vegetable Oil: implications and legal issues – perhaps there could be individual testing to identify problems and conditions
- ✓ There needs to be a Stronger Marketing Effort perhaps connected to:
  - Gas Buddy
  - the National Biodiesel Board
  - the availability of diesel vehicles
- ✓ Build awareness and educate the public on the benefits and availability of biodiesel.
- ✓ Coordination of regional efforts
- ✓ Encourage the heating oil market to include biodiesel
- ✓ Build raw material stocks
- ✓ Address the blender credit currently being absorbed early in the cycle and adding no end price benefit
- ✓ Assess the price of raw materials including waste grease

- ✓ Note that various sources can be used for the alcohol used in the transesterification process. Consider alcohols that can be developed from local sources including wood.
- ✓ Need to build synergistic industries between agriculture and industry and re-localize our industries. “Drill New Hampshire”
- ✓ Encourage small local production by identify road blocks by addressing:
  - local permitting issues
  - public concerns for safety
  - the food vs. fuel issue
- ✓ Create State incentives for users
- ✓ Use mandate based on in-state production (Minnesota rule)
- ✓ Provide a preference for fuel assistance users who use bioheat
- ✓ Encourage municipal used oil programs; NRRRA
- ✓ Seek grant dollars to cover the cost differential (apply to fuel assistance program too)
- ✓ Tie the use of biodiesel to climate change issues
- ✓ Fuel carbon tax
- ✓ Promote savings from reduced maintenance costs
- ✓ Provide consumer education on fuel types and options on new car purchases
- ✓ Quantify savings from increased engine life and decreased health impacts – tie to state purchase requirements for B5
- ✓ Get union support for health benefits
- ✓ Allocate funding for the development of a distribution infrastructure
- ✓ Consider an ASTM specification for heating oil
  - revisit SB522
- ✓ Consider the long range benefit of supporting higher biodiesel cost now

#### STAKEHOLDER UPDATES.

- Funding is still available through the [Request for Proposals: Alternative Fuel Vehicles and Fueling Infrastructure](#) grant. Please contact Barbara Bernstein at 603-271-6751 or at [barbara.bernstein@des.nh.gov](mailto:barbara.bernstein@des.nh.gov).
- New Hampshire has applied for Diesel Emissions Reduction Act (DERA) funding from the EPA. Through this program the state would receive \$200,000 and with a \$200,000 match would receive an additional \$100,000. The program plan starts with the DOT state fleet to implement diesel emission reduction technologies. The program also hopes to work with local transit organizations and eventually, roadway projects as well.
- The non-profit GreenStart is working to encourage Portsmouth school buses to switch to biodiesel. GreenStart has also been working with the Town of Hopkinton but the town wants a separate tank to store biodiesel and the fire chief has concerns as well. Green Start has received a small grant from the New Hampshire Charitable Foundation to work with a group of farmers to form a cooperative and identify acreage, and shared equipment for biodiesel production. The group includes Dorn Cox and they intent to utilize sunflower seed, first for food value and then as fuel as a bi-product.
- Grappone is working on a new autobody facility that would qualify as the first LEED certified autobody shop in the country!

- The NH Auto Dealers Association held a very successful Energy Fair for its members of July 16, 2008.
- The Granite State Clean Cars program is in a maintenance mode with no funding to promote.
- The folks at Keene State College continue to do their work on testing emissions from biodiesel. They are also working to set up a system where used oil would be collected and made into biodiesel locally.
- This year's Alt Wheels festival is being shortened to a Fleet Day to be held at Staples World Headquarters in Massachusetts. For more information contact Steve Russell at [srussell@ci.keene.nh.us](mailto:srussell@ci.keene.nh.us) or 603-757-0656.
- Penti Alto is working on a wind project with Southern NH University that will make the campus carbon neutral.
- Drew Gillett participated in the 2008 tour of the Eastern Electric Vehicle Club. More information is available at <http://www.eevc.info/> and results of the 2008 competition are available at [http://www.eevc.info/21CAC\\_results.pdf](http://www.eevc.info/21CAC_results.pdf).